STATUS OF WOMEN

Nova Scotia Advisory Council on the Status of Women

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Brief to the Federal Standing Committee on Finance

September 1999

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The Nova Scotia Advisory Council on the Status of Women was established by provincial statute in 1977. The Council's mandate under the Advisory Council on the Status of Women Act is to advise the Minister Responsible for the Status of Women; and to bring forward the concerns of women in Nova Scotia.

The Council's work touches on all areas of women's lives, including...

- ♀ family life
- ♀ economics
- ♀ legal rights
- ♀ sexuality
- ♀ health
- ♀ education
- ♀ paid and unpaid work
- ♀ violence

Council pays close attention to the experiences of women who face barriers to full equality because of race, age, language, class, ethnicity, religion, ableness, sexual orientation, or various forms of family status.

We are committed to voicing women's concerns to government and the community through policy research, information services and community development. Working cooperatively with women and equality-seeking organizations, our mission is to advance equality, fairness and dignity for all women.

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Introduction

The Nova Scotia Advisory Council on the Status of Women is very pleased to present this brief on our recommendations for the 2000/2001 budget to the Federal Standing Committee on Finance. This is the fifth year that we have been invited to participate and we are pleased that the Standing Committee on Finance wishes to hear about women's concerns from a Nova Scotian perspective, and our recommendations about how solutions to these concerns might be reflected in the budget.

We have organized our presentation and recommendations in terms of the five primary themes identified for discussion by the Committee: 1. The Process of Budget Making; 2. Tax Relief and Reform; 3. Social Infrastructure (which we have broken down into sub-headings of healthcare; post-secondary education; income support, programs for children and social services; and provision of social and health services for First Nations); 4. The New Economy; and 5. Productivity. At the end, we list seven priorities for the 2000/2001 federal budget.

1. The Process of Budget Making

We are very pleased the issue of the budget-making process is on the agenda for discussion in this round of consultations. Until about five years ago, there was very little input on the budget from women's groups or community-based social policy advocacy organizations through forums such as this. We are pleased to say, however, that the situation has improved somewhat and the Standing Committee now invites input from organizations such as ourselves.

However, we do not believe most Canadians are well informed about the process. Nor, in our view, is the process transparent enough. There is still a lack of easily accessible information about the different stages in the budget-making process and the place of these consultations within it. These issues are of particular concern to those who advocate on behalf of the poor, women, children, or the elderly and other populations whose voices are more likely to be marginalised in government decision-making processes--especially for those who are active outside of central Canada at the provincial or local levels.

Groups and individuals need to know, for example, what happens before the process reaches this consultation stage? Who is consulted regarding the objectives and parameters for the consultation? How does the committee ensure that the views of the various groups you consulted with are fully and accurately represented in the report? What happens to the report after it is published?

The issues of process and transparency are also of concern. There is often the uneasy feeling that this relatively public consultation process is not where the *real* action around budget decision making occurs. For example, there is the sense that there is yet another process of input and consultation which takes place amongst 'insiders' and which occurs at a more informal level between influential individuals, paid lobbyists, high level bureaucrats and ministers.

In our view, there is another problem related to this issue of whether the current budget-making process is understood and transparent, and that is the question of what the budget-making process *should* be about. To what extent should the budget-making process focus on economic stability--how to ensure deficit and debt reduction, more private investment and increased international competitiveness--and to what extent should it *also* include maintaining or improving the economic prospects, health and well-being of all Canadians? We hope indeed that the question about improving the standard of living of Canadians, which is addressed below, has the latter as its main concern.

We understand that, besides public forums such as this, the process of budget-making must rely on input from recognized experts. However, we have several concerns about the process involved and about which experts are being consulted. First, the consultation with experts occurs before the Standing Committee consults with the public. The background thinking of the committee and questions for the public consultation process appear to be shaped by this rather than by the public consultation process. This may not be a problem in and of itself, as long as the process is open and transparent and involves experts from a variety of sectors and fields. However, we are concerned that, in consulting with experts, it is only particular kinds of experts who are involved.

Second, in consulting experts there appears to be more reliance on economists, economic think-tanks and business-oriented organizations than there is on those who are knowledgeable about social development or health.

Third, we are aware that the Standing Committee on Human Resources Development and the Status of Persons with Disabilities examines labour market and some social policy related issues. Also it has done considerable work on children and youth at risk and recently examined issues related to older workers. However, the relationship between the work of this Committee and the Standing Committee on Finance is not clear. How are the important issues raised by the former integrated into the discussions about the economy and the budget?

Moreover (and perhaps more importantly) is that the scope and tenor of the assumptions surrounding the budget-making process appear to be shaped by a particular set of values which may not be reflective of the values of the Canadian population as a whole.

Background papers such as the one prepared for this pre-budget consultation demonstrate that the main concerns surrounding the budget-making process are almost entirely about how to maintain economic stability rather than how to allocate resources to improve the economic and social well-being of the population. For example, in the background paper for this consultation which explores the economic assumptions and parameters for the budget and how various measures are likely to affect economic performance, social policy and programs are treated as expenditures with hardly any substantive discussion. The question of the possible implications of particular economic policies (narrowly defined in the background document as trade, fiscal, monetary and regulatory policies) for the economic *and* social well-being of different populations (e.g., Native and Non-native) or for populations in different regions of the country are not raised.[1]

Proponents of the 'trickle down' assumption in economics often argue that a healthy economy will automatically lead to social well-being and a better standard of living for all. But much international evidence calls this assumption into question. Recent evidence in Canada also shows that higher levels of growth and higher average incomes have not been distributed evenly across the population. We therefore need to question "what does 'a healthy economy' mean?" Is it only about international competitiveness, productivity and stability, or should it *also* be about the fair allocation of resources, improved population health and well-being, and enhancing the capacity for social development?

Symptomatic of this problem is that when social policy is considered, it is not only given short shrift but it becomes subservient to a particular approach to the economic agenda of increasing productivity. This is evident in the paper *Productivity with a Purpose: Improving the Standard of Living of Canadians* in which the half a dozen lines devoted to "education and skills development" and "social and labour market reform" (the closest the paper gets to addressing social policy) are discussed in terms of how to achieve a 'competitive advantage' and 'an efficient labour market'.

While we believe that economic policy and social policy are *not* mutually exclusive, we do not believe that one should be subservient to the other. Both are inextricably linked. There are economic costs, as well as social costs, attached to not paying sufficient attention to both. We need to consider how the budget can improve both the economic prospects and the social well being of all Canadians, including those who are economically and socially marginalized in the population. Budget outcomes

must ensure that measures to ensure the social welfare and well being of the population receives equal weight with measures to ensure economic stability and growth. Only then can we have any confidence that the trickle down assumption might actually work.

Finally, as you probably know, the Government of Canada made international commitments at the UN in 1995 to integrate gender based analysis into the development of government policies and programs in order to achieve gender equity and to ensure that policy outcomes do not have negative impacts on women. While we understand that gender based analysis is being conducted in the federal departments of Health, HRDC and Justice, we are not aware of any proposals to integrate this into the regular work of Treasury Board or the Department of Finance. However, we believe that if it was done properly, pursuing a gender based analysis approach would not only help to address many of the issues we raise in this brief, but would also help the department to be more efficient and effective. Such an analysis, for example, might have alerted the Department of Finance ahead of time to the gender equity implications of proposals such as the Seniors' Benefit or reforms to the CPP.

Recommendations

- Include the values espoused in the population health, social well-being and social development literatures in the assumptions, analysis and processes of budget making.

- Integrate gender based analysis into the assumptions, analysis, and processes of budget making.

- Receive testimony from experts in social policy and social development and include advocates and individuals representing the diversity of the Canadian population in the consultation process.

- Review the process of budget making to improve openness and transparency and explain the process clearly to Canadians.

2. *Tax Relief and Reform*

In the context of a projected growth in fiscal surpluses over the next few years, there appears to be more pressure on the federal government from business organizations and some provincial governments to implement tax cuts across the board.

Although we believe there is now room for tax cuts, given our concern about the social infrastructure (to be discussed below), we strongly recommend caution in this regard.

First, we are concerned, for example, that large tax cuts will leave little room for governments to re-build the health care, education and social services sectors which have been undermined as a result of fiscal restraint and funding cuts since 1995 and even earlier.

Second, we are also concerned about a growing income gap in Canada[2]. There is evidence that this has increased in Canada in recent years and that low- and moderate-income families have experienced a decline in disposable income. While tax cuts could help to rectify this situation, this is not the only course open to government--tax credits and tax benefits have been increasingly used in recent years to transfer additional income to low-income Canadians. If tax cuts or tax reforms are implemented, these must focus not simply on efficiency, but on equity.

As we argued in our brief last year, we believe the government should re-examine the tax system in terms of the key principles of progressivity, equity (including gender equity), and ability to pay. Tax cuts which fail to take these principles into account are likely to end up exacerbating the gap between rich and poor (many of whom are women). We are pleased that some small steps were taken in the last budget to address the tax bite for very low-income earners by raising the level for personal deductions. However, we believe more must be done to address the three principles of progressivity, equity, and ability to pay.

As we also pointed out in our brief last year, a prime example of a non-progressive tax is the GST (or HST in Nova Scotia) because this is applied to the most basic consumer goods and services, not simply to luxury items. It is the kind of tax which is particularly punitive to low-income people despite the tax rebate for those on very low incomes. Priority must be given to lowering the GST/HST, especially on goods and services which are essential to a basic standard of living.

Another problem we identified in our last brief was the partial de-indexation of the income tax system which has resulted in "bracket creep" and a steady decline in the tax-paying threshold. This not only affects the level of personal income tax for everyone, but it adds more of the working poor to the tax rolls each year. Partial de-indexation also weakens the refundable GST/HST tax credit which was intended to protect low-income Canadians from the negative effects of this non-progressive tax[3]

Recommendations

- We recommend returning to full indexation of the income tax system as quickly as possible. This will have the effect of modest tax cuts compatible with renewed investment in the social infrastructure.

- Initiate discussions with the provinces aimed at reducing the GST/HST across the board or eliminating it on non-luxury items such as heating oil or other fuels.

- Begin a process of tax reform based on the principles of progressivity, equity, and ability to pay.

3. *Social Infrastructure*

As we mentioned above and in previous briefs, the introduction of the Canada Health and Social Transfer (CHST) and the cuts to social programs which began four years ago, seriously affected the ability of the provinces to maintain adequate funding in areas under their jurisdiction--health care, post-secondary education, welfare, and social services. The introduction of the CHST also ushered in the demise of the Canada Assistance Plan which had provided some minimum standards for the delivery of social assistance and social services.

These changes and cuts created stresses and strains for many of the programs delivered with money from the CHST and for many people who use them: student fees have increased, along with student debt; there have been longer waiting lists for essential surgery, shortages of nurses and doctors, and a lack of needed resources for home care; eligibility for welfare has tightened up in several provinces yet there is less funding for educational upgrading or meaningful programs to enable a transition to employment; in the face of an increased demand for services and stagnating funding, many social service agencies have had a hard time keeping their doors open. In addition to the impacts of the changes in the CHST funding, "reform" of the EI system three years ago placed additional strains on the welfare and social services systems.

With the development of the Social Union Framework and the new financial position of the federal government, it is now time, not only to repair the damage to the existing social infrastructure, but to address many of the important social issues which were 'put on the back burner' (including concerted action on the recommendations of the Royal Commission on Aboriginal Peoples) while governments paid more attention to the problem of the deficit [4].

We recognize that in the last two budgets there have been some measures to address funding deficiencies affecting health care and in an indirect way to address access to post-secondary education. The National Child Benefit also provided income supplementation for low-income working parents and indirectly assisted provinces to introduce employability measures and provide some needed services to welfare recipients. However, there are several problems with both the level of funding and the delivery mechanisms of these programs. Lack of funding continues to affect the ability of the provinces to make adequate provision for health care, social services and welfare, and has created financial problems for universities.

However, while the funding problems in health care and, to some extent, post-secondary education, have received considerable media attention, and provincial

governments and the institutions affected have advocated strongly for additional funding, the funding problems for social assistance and social services have received little positive media attention. Moreover, those most affected by the cuts (welfare recipients, child welfare and social service agencies, and their clients) and the few organizations which advocate on their behalf, often lack the resources, a high enough public profile, or the influence and power to make their case strongly to governments.

(1) Health Care

The increase of $11.5 billion over five years in funding to the provinces for health care simply brings the amount allocated to health care in the CHST to the level it was in the mid 1990s. It does not adequately recognize increases in expenditures due to inflation, an aging population, or expensive new equipment and treatments.[5] A recent report by Statistics Canada noted that while families are spending a bit less on income taxes, they are spending more on health care and education, and this was mainly due to a surge in out-of-pocket expenses not covered by insurance (medicines, pharmaceutical products and private health insurance premiums). According to the report, this is having the greatest impact on low income families.[6] These problems are jeopardizing the principles of medicare--comprehensiveness, universality, portability, public administration, and accessibility--and threaten the ability of the provinces to live up to the promises in the Social Union Agreement.[7]

One area that needs urgent attention in the health care system is improvement in the provision of home care. Health care institutions are releasing patients earlier in an attempt to save money. Home care services are developing to fill the gap, but the program relies a great deal on volunteers or relatives to care for family members who are sick. Because resources are tight, there is frequently an assumption that if a woman is available to provide care for a family member then she should do so, regardless of the costs to herself--so most of these care-providers are women. Although many prefer to have their loved one in the home, there is often not enough support for adequate care, including respite care.[8]

The federal government must also address the recommendations of the Royal Commission on Aboriginal Peoples (RCAP) regarding the health issues facing Aboriginal peoples in Canada. It must also maintain its fiduciary responsibility for health care (including the provision of medications) for status Indians whether they live on or off reserves.

Recommendations

- Restore funding to the CHST so that federal and provincial governments can live up to their commitments in the Social Union Agreement to respect

the principles of medicare: comprehensiveness, universality, portability, public administration, and accessibility.

- Increase funding to health care specifically designated to strengthening home care.

- Implement the recommendation of the RCAP Report regarding the health and health care of First Nations' people.

(2) Post-Secondary Education

In regard to post-secondary education, neither the proposals to provide incentives to parents to save for their children's education nor the Canadian Millennium Fund, directly address the issue of post-secondary funding, rising tuition costs or the student debt problem. These two mechanisms of support will not necessarily assist students from low- or moderate-income families to access higher education. The main factor here is much more likely to be the cost of tuition and this is linked to the level of financial support for the post-secondary institutions themselves. As a society, we cannot ensure equitable access to post-secondary education unless we improve support to the publicly-funded education institutions.

The government must also ensure that it maintains its fiduciary responsibilities for Aboriginal post-secondary education. This is extremely important in the context of increasing the capacity of First Nations for self-government and to ensure equity of access for Aboriginal people.

Recommendations

- Increase funding for publicly-funded post-secondary education institutions to enable these institutions to limit increases to tuition fees.

- Student loans need to remain accessible to single parents.

- Maintain and respect the federal government's fiduciary responsibility for ensuring access to post-secondary education for First Nations' people.

(3) Income Support, Programs for Children and Social Services

Children are poor because their parents are poor, so low-income parents, many of whom are single mothers, need financial support to keep their families out of poverty. The National Child Benefit introduced two years ago is one means of supplementing family income for working parents to help eradicate poverty. This program has certainly been a positive new direction and an important measure

and it should be strengthened. The program needs the sustained injection of more money over the next several years if it is to make a real difference and help parents (and their children) move out of poverty.

However, income supplementation cannot be the only measure available to address poverty. As discussed above, reform of the tax revenue structure also needs to focus on this goal.

We are also disturbed by the delivery mechanisms for the National Child Benefit--a program which was intended to address child poverty. Encouraging the provinces to deduct the National Child Benefit from the social assistance benefits of parents on welfare was intended to provide another source of funding so the provinces could strengthen employability measures and provide transitional support for social assistance recipients. Many parents on social assistance (overwhelmingly lone-parent mothers) have found this policy reprehensible because the province was taking away money they felt they were entitled to and it did nothing directly to address poverty created by low welfare rates. Moreover, the NCB has encouraged some provinces to introduce work-fare or measures which in other ways enforce employability. The delivery mechanism for the NCB, therefore, has maintained single parents on welfare in a similar, or worse situation, than before the cuts.

While the NCB has allowed the provinces to divert funding to programs for those making a transition from welfare to employment such as child-care and educational upgrading, the adequacy of these programs in comparison to the need is extremely limited. In Nova Scotia, parents moving from welfare to employment and 'working poor' parents seeking to improve their income generating skills need much better access to affordable child care, educational upgrading, skills training, and post-secondary education so they are better prepared for jobs that pay a living wage. With the decline of federal funding for job skills training and the increase in tuition fees for post-secondary education, single mothers wanting to upgrade their education or skills now face additional barriers.

Many, if not most, of the people served by provincially-delivered welfare programs and social service agencies are mothers with children; many are single parents, poor or on low incomes.

We applaud the development of family resource centres under the federally funded CAP-C program and the support they offer families in their parenting roles and in other ways. However, if the federal government is serious about supporting families and addressing child poverty, child development, and child

welfare issues, it must also inject more money into the CHST for child care and to assist the provinces to strengthen their social assistance, employment support programs and services they already provide to children and low-income families at risk.

In this regard, we have been paying careful attention to the proposals for the development of a National Children's Agenda which we strongly support in principle. We concur with the proponents of the NCA that parents need more support to help them to raise their children and that a range of options through various policies, programs and services which focus on child development would be beneficial. However, we believe the wisest course would be to give priority at this time to strengthening child care to ensure it is accessible, affordable, flexible and appropriate to the needs of specific provinces and communities. As child care advocates and child care experts have argued for a number of years, quality child-care is cost effective in the long run because it incorporates a child development approach [9].

Mothers who are employed full- or part-time want to ensure that their children are properly cared for while they are working.[10] Although some working mothers like the idea of in-home childcare, they often find this unreliable or too expensive. Most prefer their children to be in regulated child care programs or centres where there are trained staff, and programs are stimulating and reliable. However, many low-income families cannot afford to place their children in registered child care programs because they are ineligible for a full or even a partial subsidy. For example, in Nova Scotia only parents whose incomes are roughly equivalent to the welfare rate would be eligible to receive the full subsidy. Even those with the full subsidy pay about $5.00 a day towards child care. Parents with one child and an income of approximately $38,000 would receive little or no subsidy.

Moderate-income families who are not eligible for a subsidy often cannot afford to use a registered child care service because they do not receive enough, or timely, tax relief through the yearly, income-based tax deduction. The government should address this issue, not by removing the tax deduction, but by ensuring that more families are eligible for subsidies for registered child care. The benefit of this would be twofold: (a) it would ensure children are being placed in regulated, quality child care--whether family-based or at a centre, and (b) it would act as disincentive for the growth of what has become an underground economy in the provision of child care.

The government, however, cannot be expected to do everything to support families. We were encouraged, for example, that in the recent collective agreement between the Ford Motor Company and the Canadian Auto Workers Union, there will be monetary supplements for the child care expenses of employees with young children. Dalhousie University offers reimbursement of child care and elder care costs when employees have to travel. Governments

could offer financial incentives through the corporate tax system to encourage employers to introduce these kinds of programs or, because working parents with young children often need family leave to care for sick children, to enhance their family leave benefits.

(4) Provision of Social and Health Services for First Nations

The government must begin to implement the recommendations of the RCAP Report. In doing so, it should respect its fiduciary responsibilities in health, education, and other areas. In addition, in moving towards self-government, it must ensure that the fiscal accountability of First Nations' governments can be assured and all First Nations' people--both women and men--are treated equitably. This means that attention must be given to the provision of education and skills to enable First Nations' governments to live up to both their rights and their responsibilities.

Recommendations

- Restore and strengthen funding to the CHST so that provincial governments are in a position to address their commitments under the Social Union Agreement to "ensure access for all Canadians...to essential social programs and services," "provide appropriate assistance to those in need" and "promote the full and active participation of all Canadians in Canada's social and economic life."

- Under the National Child Benefit, ensure welfare recipients with children are able to keep a proportion of the benefit before it is deducted from their provincial welfare cheques. This could be apportioned partly in relation to the goal of reducing poverty and partly in relation to the goal of reducing the cost of employment.

- Provide direct funding to the provinces so they can provide better transitional support for social assistance recipients making a transition to the labour market (e.g. child care subsidies, literacy and educational upgrading, skills training programs).

- In accordance with the needs of the different provinces and communities in Canada, proceed with gradual implementation of the National Children's Agenda, beginning with strengthening funding to ensure better access to affordable, flexible and quality child care.

- Provide more adequate funding for child care so that more families are eligible for subsidies, without an increase in daily rates that parents must pay over and above the subsidy.

- Build on the existing CAP-C program and the network of family resource centres in implementation of other aspects of the National Children's Agenda.

- Maintain the existing tax deduction for child care.

- Provide tax incentives to corporations and businesses to encourage them to provide support for child care expenses and for family leave benefits.

- In keeping with the federal government's fiduciary responsibility for Aboriginal peoples, implement the recommendations of the RCAP Report, ensuring that self-governing First Nations are fiscally accountable to their people and that both women and men are treated equitably.

4. *The New Economy*

Recent changes associated with the integration of markets, economic globalization, and technological change can be compared to the kind of changes which ushered in the industrial revolution in the 18th and 19th centuries in England. With due regard to the dangers of economic determinism, if we use the early stages of the industrial revolution as our guide, we could expect changes of this magnitude to be accompanied by social dislocation and social change in which traditional livelihoods are threatened, established patterns of employment and residence are disrupted, and domestic and family relations become more unstable. We would also expect to see the creation of new wealth and the emergence of a new wealthy class in the 'new economy'. But we would also expect to see the creation of new class divisions in society--divisions based on income disparities between those who were able to take full advantage of the new opportunities and those who were unable to reap the rewards, either because they were vulnerable to exploitation or because they were simply left behind.

History may repeat itself, but never in the same way, of course. Nevertheless, processes of economic growth and expansion ideally, in a democratic society such as ours, should be of benefit to everyone, instead of ending up creating big winners and big losers.

The globalization of production, liberalizing markets and trade, and the growth and dominance of financial trading, is happening a lot faster than the hundred or so years which covered the industrial revolution, in part because of the role of computer technology. As we know from recent events in Asia, the impact--both economically and politically--is being felt on a world scale. Recent evidence from the United Nations and elsewhere suggests that there is a growing gap between the rich and

poor, both between the so-called 'developed' nations of the economic north and the 'under-developed' nations of the economic south, as well as within many of these countries, including Canada and the United States.

Feminist sociologists and historians have also warned that structural economic changes have historically not only affected women differently from men, but have often entailed setbacks for women. It has been argued, for example, that the industrial revolution placed women at a disadvantage because it increased women's financial dependency on male support and entrenched the idea of 'separate spheres' for women and men--a process which only began to be reversed in the early part of this century.

We are seeing many instances in the world where progress on women's economic independence and political rights are deteriorating or experiencing setbacks. Much of this can be attributed to the negative aspects of economic globalization. While the Canadian government must take account of this in international relations and development policy, we must also be cognisant of the impact at home. Women have struggled throughout this century for their political rights, for equality in employment, for economic independence, for justice in family law and for freedom from violence. In this period of economic and technological change, care must be taken to ensure that women do not experience set backs.

The fisheries is one sector in Nova Scotia where there have been negative impacts on women and their families due in part to depletion of fish stocks, technological change, globalizing trends and other changes in the industry. Government responses to assist individuals and coastal communities affected by these changes have often been inadequate or, in some cases, have made things worse.

We are informed by Nova Scotia Women's FishNet, for example, that research they have undertaken with women in five Nova Scotia fishing communities shows that a number of problems women are experiencing--increased family stress, ill health, poor economic circumstances, and in some cases increasing levels of family violence--can be directly related to the downturn and restructuring of the fisheries and to the government's inadequate response.

The rapid growth of information technology has presented new challenges to other women. Although there is some support for the idea that women may be particularly adept at using computer technologies, the gender pattern of employment in the computer technologies field is not encouraging. This is reinforced by the relatively low enrollment of women in university computer science programs. Women accounted for only 18 percent of computer science undergraduates in 1997. This is less than the 28 percent of graduates in 1981.[11]

Advocacy and women's voluntary organizations have also been disadvantaged with the development of information technology. Women's organizations and agencies which primarily serve women are usually small and under-resourced so they have

limited time and resources to invest in equipment or in learning how the technology can be used.

We were encouraged two years ago by the news that a new VolNet program funded through Industry Canada would assist the voluntary sector (including women's organizations) to access computer technology. However, progress in Nova Scotia has been slow. Although the final results are not in, in our view, the program delivery process, spearheaded by ACOA, has not been as inclusive as it should have been and resources do not appear to be adequate enough to make a significant difference in the multi-faceted voluntary sector.

On a more positive note, however, the Nova Scotia Advisory Council on the Status of Women is partnering in a SSHRC research project appropriately entitled *Democracy Bytes Back*. The principal investigators on the project, Leonard Preyra of Saint Mary's University and Cynthia Alexander of Acadia want to find out how women's groups, which mainly address the concerns of marginalised women (e.g. women in poverty, First Nations' women), can use computer technology to improve their organizing and advocacy efforts so they can participate more effectively in the political process. Also on a more positive note, we were pleased to learn recently that although women's individual Internet use lagged behind men's in its early development stage, the gender gap is closing.

Recommendations

- Ensure that the families of those displaced in industries undergoing structural changes such as fishing or in 'old' industries such as coal-mining and steel-making in Nova Scotia are fairly compensated for their loss of income and future prospects.

- Provide more funding for community economic development programs in rural and coastal communities affected by declining industries and structural changes in the economy. Integrate gender based analysis in the design, development and delivery of these programs to ensure that women are included.

- Ensuring gender equity, provide adequate re-training programs for displaced workers.

- In designing all these measures, take into account the impact on women and families and ensure that their interests and needs are addressed.

- Provide financial incentives for young women to enter engineering, computer science, and other science programs at the university level.

5. *Productivity*

We are glad to see that the issue of the standard of living of Canadians is on the agenda for this round of budget consultations. It is certainly time to address this issue and the related issue of productivity, but we need to do so in a way which also enhances the quality of life.

As outlined in the discussion paper *Productivity with a Purpose: Improving the Standard of Living of Canadians*, outlined, productivity plays a role in achieving the overall goal of increasing the standard of living. But what the nature of the relationship is, what contributes to it, and how it is can be monitored and measured are extremely problematic.

A major problem with the concepts of 'productivity' and 'growth' is that they are usually based on measures of Gross Domestic Product (GDP). GDP, however, fails to take account of many of the invisible costs which are outside what most mainstream economists understand by "the economy." As Ronald Colman has pointed out, GDP is inadequate as a benchmark of economic and social health, prosperity and welfare. In our view, focussing on 'productivity' and 'the standard of living', is only useful if the vision is to improve the quality of life and to ensure that all the benefits are equally distributed amongst Canadians.

Using GDP levels and growth rates to measure progress takes no account of the value of unpaid work, free time, and natural resource assets. It does not allow policy makers to distinguish the costs and benefits of different economic activities, and it masks changes in income distribution. Such fundamental omissions and limitations render the GDP an inadequate measure of social and economic well-being.[12]

Moreover, measures such as GDP which underlie the concept of 'productivity' can only measure overall growth and are mainly used to make comparisons between nation states. This often masks what is happening within countries. It is possible, for example, to have growth in GDP in Canada with widening disparities in income and standard of living amongst Canadians.

As discussed above, recent data suggests that the standard of living for many middle- and low-income Canadian families remains static or has fallen in recent years and that economic growth has mainly benefited Canadians with higher incomes.[13] If the government is to focus on increasing productivity, it must do so in such a way that ensures a narrowing of the income gap between rich and poor.

If increasing productivity means longer working hours, yet less pay, part-time instead of full-time employment, and policies which favour the rich at the expense of the poor, then it will not help to raise the standard of living or the quality of life for everyone. If productivity means investing in higher education, enhancing skills and job training opportunities, making computer and information technology more widely

available, improving public transportation, improving the ability of parents to balance employment with family responsibilities and providing support and incentives for family-friendly work places, then this will indeed be a positive turn of events.

Many Canadian families are currently only maintaining their standard of living because of the increased labour force participation of mothers with younger children. With a labour force participation rate of 62 percent for married women with children under the age of two, there is little room for families to rely on a mother's employment income to shore up any more losses.[14] Recent research suggests that women with children are under more stress because of increasing demands on them as both mothers and paid workers and there is popular support for addressing this through publicly-funded child care.[15]

In our view, many Canadians have had enough of government cutbacks, program restructuring, and the growth of low-waged and non-standard employment which often ignore existing labour standards and which feed the 'work more for less' philosophy. Working mothers, whether they are married, divorced or single, are tired of struggling to juggle employment with their family responsibilities, with little support from employers or much in the way of direct government assistance.

As discussed above, the government can assist to improve the standard of living of low- and moderate-income Canadian families by dealing with issues related to tax fairness as discussed above.

However, if parents are to be productive employees and raise healthy and socially well-adjusted children (also important for future productivity), families need help to better balance their employment and family responsibilities. We applaud and support many of the proposals in the National Children's Agenda. However, as discussed above, we believe the first priority of the National Children's Agenda should focus on the development of a quality, affordable, and flexible child care system, as well as promoting family-supportive working conditions.

Providing support for mothers and fathers both in the important work of child-rearing and in the challenges they face in combining parenting with employment will make an important contribution to child development and help to build a healthier future for our children. It will also assist them and their parents to be productive members of society.

Recommendations

- Continue to support research on new meaningful economic measures such as the Genuine Progress Indicators.

- Address tax fairness (see Section 1 above).

- Ensuring equitable access for women and minorities, invest in higher education to enhance skills in the technical and technological fields, especially computer science.

- Assist provinces and municipalities to improve public transportation in rural areas.

- Implement the National Children's Agenda, in particular to improve access to affordable child care (see Section 3 above).

6. *Priorities*

Besides the recommendations about improving the openness and transparency of the budget making process, implementation of gender based analysis in budget proposals, and our concerns about certain biases and assumptions, our revenue/expenditure priorities are:

- Cut the GST/HST for non-luxury items;

- Gradually restore full indexation of tax brackets;

- The National Children's Agenda (especially child care);

- Increase the CHST with special attention to home care and social services;

- Provide tax incentives for employers to provide family-friendly workplaces;

- Include gender based analysis to ensure gender equity in the development of Community Economic Development programs and other programs designed to address rural development or to provide compensation for industries undergoing structural changes;

- Implement the RCAP report in keeping with the federal government's fiduciary responsibilities to First Nations and with adequate assurances of fiscal accountability of First Nations' governments to the people and equitable treatment for women and men in delivery of services and programs.

Endnotes

1. The Background Paper says that budget making attends to fiscal policy which "refers to the broad spending and taxation measures of the government, their composition and their impact on the fiscal balance of the government" Canada. Library of Parliament, Pre-Budget consultations 1999: Background Paper, July 1999. See also, Canada. Parliamentary Standing Committee on Finance, *Productivity with a Purpose: Improving the Standard of Living of Canadians*, June, 1999.

2. Statistics Canada reports that the share of total income for families with higher family incomes increased between 1970 and 1995, while the share for middle income and low income families declined. See "The Daily", March 3, 1999, Statistics Canada, Cat.no.11-001E

3. Full indexation has been recommended by the OECD because partial indexation pushed 1.4 million low-income individuals onto the tax rolls over the 1- year period ending in 1998. Cited in Ch. 4, Standing Committee on Finance Report, December 1998. See also recommendations in Ken Battle, Sherri Torjman and Michael Mendelson, "Reinvest the Fiscal Dividend", *Policy Options*, Jan-Feb. 1998.

4. While there appears to have been a concerted effort by business groups in the past year to structure the debate on what to do with the surplus in favour of tax cuts, opinion polls have consistently shown that most ordinary people favour investing in social programs. See, for example, Ekos Research Associates In., *Rethinking Government: Understanding conflicting priorities on tax cuts, social spending and productivity*, August 20, 1999.

5. Canadian Institute for Health Information, *"National Health Expenditure Trends, 1975-1998" Executive Summary and Highlights,* http://www.cihi.ca/medrls/execsum.htm

6. Reported in the National Post, Tuesday, August 31, 1999.

7. See "A Framework to Improve the Social Union for Canadians: An Agreement between the government of Canada and the governments of the Provinces and Territories", February 4, 1999.

8.CARP, *Putting a Face on Home Care: A study conducted by Queen's Health Policy Research Unit for the Canadian Association for the Fifty-Plus*, July, 1999.

9.See Gordon Cleveland and Michael Krashinsky, *The Benefits and Costs of Good Child Care: The Economic Rationale for Public Investment in Young Children, a Policy Study*, March 1998.

10. The issue of quality child-care is increasingly a pressing problem for mothers with young children. In a study which examined return-to-work patterns of women who gave birth in 1993 and 1994, more than half who had previously been working returned to work within six months and only 7% had not returned after two years. The average time off was 6.4 months. See "Employment after Childbirth", *Perspectives on Labour and Income*, Autumn, 1999.

11. Statistics Canada figures reported in "Low-tech grades seek higher path", *Globe and Mail*, August 12, 1999.

12.GPI Atlantic, *The Economic Value of Unpaid Housework and Child Care in Nova Scotia,* August 1998.

13. According to a recent report issued by Statistics Canada, the family income after taxes and adjusted for inflation was almost six per cent lower in 1997 then ten years previously, despite the fact that average hours worked per week had increased. The gap between higher income Canadians and moderate and low income Canadians is widening. See reports in the *Globe and Mail*, August 28, 1999 and in *The Halifax Chronicle Herald*, July 27, 1999.

14. Ibid, p.71

15. Canadian Policy Research Networks Inc., *Values and Preferences for the Best Policy Mix for Canadian Children*, 1999. See also a series of articles on the issue of work and family responsibilities in the Globe and Mail, September 13 - September 17, 1999.